

**WSDOT/ACEC Project Delivery Team Meeting
Parsons Brinckerhoff, Seattle, Washington
January 14, 2005**

Attendees

Ken Smith – Team Co-Chair
Duncan Findlay – Team Co-Chair
Pasco Bakotich (absent)
Kirk Berg (absent)
Doyle Dilley
Richard (Rick) Door (absent)
Russ East (absent)
Mary Holland (absent)
Mike Horton
Ron Landon (attending for Pasco Bakotich)
Mike Mariano
Keith Metcalf
Amir Rasaie (absent)
Lisa Reid
Rick Smith
John Villager
Karl Winterstein
Andrea Billingsley – Recorder

Guest Speakers

Darlene Sharar, WSDOT Hq. Access, Added Access Point Decision Report (APDR)
Peter Johnson, Aon, OCIPs

Guests

Bill Henselman, WSDOT Risk Management
Angela Terry, Willis, Seattle

Introductions and Agenda Review

There are no additions to the agenda.

Review Final Draft – Change Recommendations

No. 2 – Exempt WSDOT Construction Contracts From Sales and Excise Taxes

Duncan Findlay

Handout

This concept is most likely “dead on arrival.” With the budget deficit in Olympia, we do not see this moving forward.

Change – Insert “and” instead of “or” on the signature line of the approval form.

Action Item: Duncan Findlay will send Recommendation No. 2, Exempt WSDOT Construction Contracts from Sales and Excise Taxes, to Ken Smith after he gets the appropriate signatures. Ken will take the recommendation through Don Nelson to Doug MacDonald.

Parking Lot

Excess Right of Way Surplus

Use the Process Change Recommendation Form on the WSDOT/ACEC Project Delivery Team website and draft something for the next meeting.

Action Item: Keith Metcalf will draft a recommendation on Excess Right of Way Surplus in the next two weeks and send it out for review before the next meeting.

Bonding and Sharing Information with AGC

Ken Smith

There may be a duplication of effort as this team moves into the construction side of things.

Suggestion – Write the recommendations and pass them on to the other groups who are the stakeholders. The only requirement will be to report on forward progress. Maybe they will not like the proposal, or perhaps they will move it on in a different direction. This group can still move on with it if we think it is important enough.

Action Item: Duncan Findlay will try to find the white paper he referred to. He will develop a recommendation and hand it off to the WSDOT/AGC Admin Team. Duncan will bring the recommendation to the next meeting.

It was suggested that the recommendations be routed through Don Nelson and Brad Stein and they can pass them on to the most appropriate team. This effort should also be reported to the CEVP teams.

Opportunity for Revisions to the Access Point Decision Report (APDR) Process

Ken Smith, Darlene Sharar

Handouts

FHWA brought forward a session, taught by a resource agency, on FHWA requirements for APDRs. Some of the requirements are not required by WSDOT. *Design Manual* Chapter 1425 was approved and adopted by FHWA as their policy, but it has been discovered that it is more conservative than FHWA policy. Darlene distributed a detailed list of Lessons Learned, including what does not need FHWA approval, APDR solutions, and opportunities for FHWA to delegate access authority to WSDOT. It would be helpful to know what needs FHWA approval rather than what doesn't. Darlene thinks that through this process, a list of that type can be created. Examples would help put this in context.

Ken would like this group to come up with a recommendation to take to FHWA that will open up discussion with them. It was suggested that Chapter 1425 be rewritten to better

reflect WSDOT policy and procedures. Darlene started the process of recommending that Chapter 1425 be updated, but received resistance from FHWA. Contact Darlene if you are going to start or take part in the APDR process.

In the handout, the section that lists what doesn't need FHWA approval duplicates the list under Opportunities for FHWA Delegation to WSDOT. If it doesn't require FHWA approval, why do we want to ask them to delegate the approval to WSDOT? Having it delegated assumes that they have the approval authority.

Do not change what you are doing now. If you have questions or concerns, contact Darlene and discuss them with her. When it is time to start letting people know, through conference calls and discussions, the word will start to trickle down. Letting the information out before there is an approved policy statement will only cause problems.

At this time, Chapter 1425 is not a priority on the revision schedule. Ken is hoping that a recommendation from this team will help push the revision process forward to get a new chapter out before the end of the biennium.

There should be a second recommendation for access breaks, asking for delegation from FHWA to approve the things listed in the handout.

Action Item: Darlene Sharar and Ken Smith will draft a recommendation on access breaks to bring back to the team. This will be an item on the next agenda. Ken will draft the policy revision recommendation and send it to the team for review before the next meeting.

Quantifying Impact on State of 12% Pre-Award Interest in Condemnation Proceedings

Rick Smith

How much money does WSDOT spend for right of way settlements? Most of the regions are reporting that this is a large amount. Can we make some adjustments to this? The problem is that we don't keep the necessary data to track this. There is a number for the last 3 years, but it doesn't include everything. Is there a way to estimate the amount of money? It would probably be easier to get a breakdown from each region instead of going through Real Estate Services or the Right of Way Office. Rick thinks that it will be a significant amount of money, but whether it is or not, having the numbers will help us make the decision on whether to go after it.

Action Item: Rick Smith will work with Keith Metcalf to determine how long it will take to get the numbers that are needed on the 12% pre-award interest in condemnation proceedings. Then we will decide if we should go through the process with all the regions. Rick will come back to the next meeting with the numbers.

Overview of Recent JLARC Report on Capital Project Management

Ken Smith

Handouts

Eight projects were selected from around the state. JLARC wanted projects that are in construction today. The projects that are currently in construction went through a different project delivery process, so a timeline was created to show the project delivery changes the Department has made.

The feedback was very positive on the processes that we use today. The only feedback that was negative was our lack of non-standardized terms. We now have someone on board who will be going through our terms to help create standard definitions that everyone can follow. Getting statewide endorsement of the definitions will be a huge task.

A task force will meet in the next couple weeks to implement these recommendations (four in total). This task force will be overseen by and report to the executives.

We are not quite sure how the consultants fit into this process. It sounds very internally based. Ken explained that it definitely affects the consultants who work for WSDOT. The team discussed the differences between consultant and WSDOT definitions for terms, which leads back to the discussion of non-standardized terms.

Information provided by consultants about using the MPD process:

- It comes from the top down – better executive support and guidance.
- Internal responsibility may need to have “more teeth to it.”
- Consultants are being told they have to use the process when they don’t completely understand it, and it is changing the way they are used to doing business.
- The Work Breakdown Structure (WBS) and the Master Deliverables List (MDL) – until one defines the other, it is too big a headache to use either of them.
- Some consultants have yet to see the 11 milestones that they are required to report on.

Action Items:

Ken Smith will continue to update the regarding implementation of the recommendations from the recent JLARC Report on Capital Project Management. Ken will provide an update at the March meeting.

Introduction to OCIPs

Peter Johnson (Aon)

Bill Henselman from WSDOT and Angela Terry from Willis of Seattle are guests for this agenda item. Peter Johnson will take the group through a “101” of OCIPs and CCIPs.

What is the difference between owner controlled and contractor controlled insurance programs? The wrap-up concept is that the owner purchases the insurance. It is project

specific and it is very difficult to have workers compensation included. The project owner and anyone who is enrolled are insured.

Why should you consider OCIP or CCIP? You want to control what you have in place and reduce the insurance cost. Buying en masse allows you to purchase the insurance at a lesser rate. There is broader coverage under a wrap up and a uniformity of coverage for contractors and subcontractors. There is a set fee for the life of the project. By law, there is an 8-year tail beyond project completion in the State of Washington. The 8-year tail begins at the date of certified completion.

Reasons to go with the wrap-up policy:

- Centralized
- Loss Control
- Verification of Contractor's Insurance

Contractors will still be responsible for showing insurance outside of OCIP, such as auto, liability, and insurance for their own tools.

From a contractor's standpoint, in theory you would have more buying power with a wrap-up policy.

Bill Henselman suggested that the hardest thing about this will be justifying it to the legislature so they will make the necessary changes. Research on how other states are doing things might be beneficial. What are those states experiencing and are they using it? You need to make a decision six months before you go to bid. This allows you enough time to make the preliminary decisions.

Action Items: Duncan Findlay will get additional information from Peter Johnson on OCIPs and CCIPs for the team.

Next Meeting

The next meeting will be held on February 4, 2005.

Action Item: Ken Smith will schedule a facility for the meeting.

Draft Agenda Items

- Information on 12% interest on Condemnation (15 minutes)
- Access Breaks Recommendation and Improvement Opportunity (30 minutes)
- Bonding (15 minutes)
- Report from Project Delivery Group (30 minutes)
- Channelization Plans - Review Attachments/Decisions (60 minutes)
- Excess Right of Way

The team should start thinking about subjects to move forward.